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Economic statistics: finance statistics

Report of the Task Force on Finance Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-third session,** the Secretary-General has the honour to transmit the report of the Task Force on Finance Statistics (chair: International Monetary Fund). The Commission may wish to review the activities of the Task Force.

* E/CN.3/2003/1.

** See *Official Records of the Economic and Social Council, 2002, Supplement No. 4* (E/2002/24), para. 1.

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Report of the Task Force on Finance Statistics

1. The Task Force on Finance Statistics, which was established in 1992, was reconvened in 1998 to coordinate work to improve the methodological soundness, transparency, timeliness and availability of data on external debt and international reserves.[1]

2. The need for comprehensive, comparable and reliable information on external debt to inform policy makers, financial markets and other users of statistics has long been recognized. That need was reinforced by the international financial crises in the 1990s.

3. In 1998, the Task Force launched two important initiatives to improve access to and understanding of data on external debt. First, beginning in March 1999 a new series of quarterly releases of statistics on external debt for 176 developing and transition countries was jointly disseminated by the Bank for International Settlements (BIS), the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD) and the World Bank. Those statistics — joint BIS-IMF-OECD-World Bank statistics on external debt — brought together for the first time the best and most timely available internationally comparable data on components of external debt from creditor and market sources.[2] Supplementary data are shown on international reserves.

4. Second, to aid the task of improving national source data, the Task Force began work on the publication *External Debt Statistics: Guide for Compilers and Users*. The *Guide*, which updates a 1988 inter-agency publication,[3] provides guidance on the concepts, definitions and classifications of external debt data, the sources and techniques for compiling those data and their analytical uses. It informs readers on the work of international agencies in the field. It also aids countries in their preparations to meet the data dissemination requirements of the IMF data standards initiatives — the Special Data Dissemination Standard and the General Data Dissemination System. The *Guide* is intended to be of use to both compilers and users of external debt statistics.

5 The conceptual framework used in the *Guide* is derived from the *System of National Accounts 1993* (1993 *SNA*) and the fifth edition of the IMF *Balance of Payments Manual* (*BPM5*), also issued in 1993. The gross external debt position is presented in two types of tables: one focuses on all resident institutional sectors, as presented in the international investment position in BPM5; the other focuses on the role of the public sector. The *Guide* goes beyond the 1993 *SNA* and BPM5 frameworks in specifying measurement concepts and providing tables for the presentation of analytical external debt data series, including series on a remaining maturity basis, by currency of denomination, and in the form of a debt-service payment schedule.

6. The appendices in the *Guide* provide glossaries of terms and financial instruments, and cover the relationship between the international investment position, balance-of-payments transactions and national accounts, among others.

7. In November 2001, the Task Force completed its work on the *Guide* and in December 2001 a final draft in English was posted on the IMF external web site at: http://www.imf.org/external/np/sta/ed/guide.htm. IMF is editing the *Guide* and

expects to publish it towards the end of 2002. It is also being translated into Arabic, Chinese, French, Russian and Spanish.

8. In conjunction with the work on the *Guide* and with funding from the Government of Japan (under the Administered Account for Selected Fund Activities) and the Assistance of the other agencies represented on the Task Force, IMF organized a series of regional seminars to raise awareness of the data-dissemination requirements for external debt data under the IMF data standards initiatives and to discuss various initiatives for improving the quality of national external debt data. In February 2002, the last of seven regional seminars to introduce the new *Guide* was completed (see table).

Regional seminars on external debt statistics

Venue	*Dates*	*Number of participants*
Singapore (IMF-Singapore Regional Training Institute)	21-24 March 2000	29
Austria (Joint Vienna Institute)	28 August-1 September 2000	27
Mexico (Center for Latin American Monetary Studies)	5-9 March 2001	42
South Africa (South African Reserve Bank)	7-11 May 2001	39
United States of America (International Monetary Fund)	24 May 2001	12
Germany (European Central Bank)	31 May-1 June 2001	31
Bahrain (Bahrain Monetary Agency)	10-14 February 2002	27

9. The target audience for the introductory seminars has been the managers and senior external debt compilers in the countries subscribing to the Special Data Dissemination Standard. There were more than 200 participants at the seminars, and those that participated in the early seminars provided comments on the early drafts of the *Guide*. The participants were predominantly from central banks and finance ministries/departments but also from national statistical offices and national debt offices.

10. In May 2002, the first of a new series of IMF regional training seminars in external debt statistics was offered at the Joint Vienna Institute. In total, 30 external debt compilers from 21 countries in Eastern Europe and Asia attended the seminar. The two-week seminar — directed at mid-level compilers — covered more comprehensively the methodology set out in the *Guide* for compiling external debt statistics. A second seminar, to be conducted in French, was to be held in October 2002 at the Joint Africa Institute. In 2003, seminars will be conducted at the Joint Regional Training Center for Latin America (in Brazil) and at the IMF-Singapore Regional Training Institute.

11. The Commonwealth Secretariat has conducted regional workshops to provide training in debt recording and management systems in which other Task Force members have participated. The United Nations Conference on Trade and Development organized the Third Interregional Debt Management Conference in December 2001, in which Task Force members also participated. Task Force members regularly share training calendars so that training opportunities can be leveraged to allow agencies to reinforce the efforts of their counterparts to improve external debt statistics.

12. In May 2002, there was a meeting of the Task Force in Washington, D.C., which addressed, inter alia, the issue of whether there was a need to continue the Task Force since work on the *Guide* had been completed. The following are among the main action points arising from the meeting of the Task Force:

- The Task Force will continue to serve as a forum for addressing issues pertaining to external debt statistics.
- One of the Task Force participating agencies will develop a centralized database on external debt statistics based on data compiled by countries, which will complement the joint BIS-IMF-OECD-World Bank statistics on external debt.
- The Task Force will assist IMF in developing, at the country level, improved data for vulnerability assessment. The initiative will identify, inter alia, repositories of information that could be used to make an assessment of data gaps across a broad range of countries.
- The Task Force will continue to develop the joint BIS-IMF-OECD-World Bank statistics on external debt, with particular attention to data on short-term debt.
- The Task Force will assist IMF in the development of a data quality assessment framework for external debt statistics.

Notes

[1] The Task Force is chaired by the International Monetary Fund (IMF) and its recent work has involved representatives of the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, IMF, the Organisation for Economic Cooperation and Development, the Paris Club secretariat, the United Nations Conference on Trade and Development and the World Bank.

[2] It should be noted that such data do not provide a completely comprehensive and consistent measure of a country's total external debt.

[3] *External Debt: Definition, Statistical Coverage and Methodology* (Paris, 1988).

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Economic statistics: Ottawa Group on Price Indexes

Report of the Ottawa Group on Price Indexes

Note by the Secretary-General

In compliance with a request of the Statistical Commission at its thirty-third session,** the Secretary-General has the honour to transmit to the Statistical Commission the report of the Ottawa Group on Price Indexes (focal point: Statistics Canada). The Commission may wish to review the activities of the Ottawa Group.

* E/CN.3/2003/1.

** See *Official Records of the Economic and Social Council, 2002, Supplement No.4* (E/2002/24), para. 1.

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Report of the Ottawa Group on Price Indexes

Purpose

1. The Ottawa Group was created to provide a forum for specialists to share their experiences and discuss research on crucial problems of measuring price change. Without avoiding theoretical issues, the Group focuses on applied research, particularly, though not exclusively, in the area of consumer price indexes. Participants are specialists and practitioners who work for, or are advisers to, statistical agencies in various countries, or international organizations.

Year organized

2. The Ottawa Group was organized in 1994.

Participants

3. Members of the national statistical offices of Australia, Austria, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Iceland, Indonesia, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, the Republic of Korea, Singapore, Spain, Sweden, Thailand, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Statistical Office of the European Communities (Eurostat), the Statistics Department of the International Monetary Fund, the International Labour Organization, the Economic Commission for Europe and the Organisation for Economic Cooperation and Development have attended at least one meeting of the Group, as have other experts or members of national statistical offices of other countries.

Meetings (approximately every 12 to 18 months)

4. Meetings held to date:

- Ottawa, 31 October to 3 November 1994
- Stockholm, 15 to 17 November 1995
- Voorburg, the Netherlands, 16 to 18 April 1997
- Washington, D.C., 22 to 24 April 1998
- Reykjavik, 25 to 27 August 1999
- Canberra, 16 to 21 April 2001.

5. Meetings scheduled:

- Paris, May 2003
- Finland, 2004.

6. Proceedings of the meetings include the papers, a summary of the discussions and a report of recommendations where agreement has been reached.

7. Meetings focus on a small number of topics in order to concentrate the preparatory work and the discussions. Proceedings of the most recent meeting, held in Canberra, are available on the Group's web site at www4.statcan.ca/secure/english/ottawagroup/.

Topics considered

8. Fundamental problems of measurement, particularly at the microlevel, have been constant themes. These include estimation (for example, the adoption of the geometric mean at the first step of calculation), sampling and the treatment of quality change in all its manifestations. Questions of bias were considered explicitly at the 1994 and 1997 meetings. The different requirements of indexes for different purposes, for example, inflation measurement and measures for compensation, have been discussed at more than one meeting. Other topics covered include certain difficult areas of consumer price indexes, such as health and financial services, survey methodology and management and the growing availability of electronic sales databases (scanner data).

9. Since 1999, the discussion of the Group has concentrated on the use of different techniques and procedures dealing with quality changes in price indexes for durable goods and services in order to derive some best practices. While the meeting in Reykjavik focused mainly on durable goods, participants also discussed the conceptual basis of different requirements of indexes for different purposes.

10. In 2001 quality change continued to be an important issue for discussion, but in the context of services. Five main topics were discussed at the meeting: (a) quality adjustment and scanner data; (b) new and disappearing goods; (c) financial services; (d) telecommunication services; and (e) miscellaneous areas of new or ongoing research.

11. Summaries of each session are available on the Group's web site.

Products

12. Papers and proceedings of the meetings are published on the Group's web site.

Planned activities

13. The next meeting of the Group will be hosted by the Institut national de la statistique et des études économiques, in Paris, from 27 to 29 May, 2003. This meeting was initially scheduled for November 2002. Statistics Finland has offered to host the subsequent meeting in 2004.

14. The following are the planned topics for the Paris meeting:

(a) **Coping with changes to complex pricing schemes.** Many products, especially services, are bundled or charged in complex ways that make it difficult to select prices for inclusion in the consumer price index. Other complexities arise from discounts, fidelity rebates or rewards and other plans that alter the price paid by the consumer. Another aspect of complex pricing involves dealing with changes in the range of bundled services (e.g. banking, telecommunications). Other issues to

be considered under this topic include income-dependent prices and subsidized products.

(b) **Financial services, including insurance services.** Financial services have unique and complex pricing issues, including identifying the transaction unit. The treatment of various types of insurance (automobile, housing, liability and health) will be covered under this topic.

(c) **Health and social services.** Health care is one of the most difficult areas for consumer price index treatment. Dealing with subsidized services, rebates and quality adjustment are some of the issues to be covered.

(d) **Electronic commerce (e-commerce).** This topic will deal with whether and how to reflect Internet services in the consumer price index. The meeting will review practical experiences and projects of national agencies in processing e-commerce in their consumer price index.

(e) **Future issues.** Issues and topics that should be dealt with in future meetings will be considered at a session of the Paris meeting.

15. More details on the agenda of the Paris meeting will be given on the Group's web site by January 2003.

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